

NEWS

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Former Owner of Medical Billing Companies Admits Scheme
to Defraud Insurance Companies, Money Laundering, Tax Evasion

(More)

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NEWARK – The former owner of two medical billing companies pleaded guilty today to engaging in a scheme to defraud insurance companies that provided no-fault medical benefits to motorists, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

Aleksander Sirota, a/k/a “Alexander Sirota,” 39, of Freehold, also pleaded guilty before U.S. District Judge Susan D. Wigenton to money laundering and concealing approximately \$1 million in income from the Internal Revenue Service, as well as other charges. Judge Wigenton scheduled sentencing for Sept. 29.

Sirota admitted that between April 2001 and June 2005, he conspired with doctors Valery Rimerman and Irina Zelikson to defraud no-fault insurance companies that provided medical benefits to motorists involved in collisions. Sirota admitted that he, through his companies, TFS Management Services, Inc. and later ADS Management Services, Inc., the two doctors, and others submitted false bills to insurance companies for medical treatments that had not been rendered to patients.

Sirota also admitted that he and his co-conspirators billed insurance companies for medical treatments and services rendered by unlicensed and unqualified individuals. Zelikson and Rimerman have previously pleaded guilty before Judge Wigenton for their roles in the scheme and await sentencing.

Sirota also admitted that he and his co-conspirators laundered approximately \$200,000 to conceal the health care fraud scheme and allow it to continue. He admitted also that he conspired with his accountant, Sophie Uber, and others, to defraud the IRS by concealing approximately \$1 million in taxable income, as also admitting evading federal taxes. Uber also has pleaded guilty and awaits sentencing.

For his guilty plea to conspiracy to commit health care fraud, Sirota faces a maximum statutory penalty of 10 years in prison; for conspiracy to commit money laundering, he faces a 20-year maximum sentence; for defrauding the IRS, a five-year maximum sentence, and five-year maximum for tax evasion. The maximum statutory fine on each of the counts is \$250,000.

In addition to paying restitution, back taxes, penalties, and interest, Sirota agreed to forfeit approximately \$200,000 to the United States.

On Aug. 7, 2008, a second superseding indictment charging Sirota and his father, Grigory Sirota, a/k/a “Grisha Sirota,” 63, of Brooklyn, was returned, charging each with conspiracy to commit health care fraud, among other offenses. In addition, Jack Melman, a/k/a “Yaakov Melman,” 47, of East Brunswick, was charged with conspiracy to commit money laundering and tax evasion. The cases against those defendants is pending before

Judge Wigenton.

The case is being prosecuted by Assistant U.S. Attorney Anthony Moscato, Jr., of the U.S. Attorney's Office Strike Force Division in Newark.

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Defense Counsel: Kenneth J. Kaplan, Esq., New York

Marra credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, Special Agents of the IRS, under the direction of Special Agent in Charge William P. Offord, the National Insurance Crime Bureau, and the Special Investigations Unit of Travelers Insurance with the investigation leading to today's plea.

The case is being prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney Office's Strike Force unit, in Newark.

Defense Attorney: Kenneth J. Kaplan, New York.

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